

Public update regarding the 11th European Development Fund's Vanuatu Value Chain Programme

6 August 2018

The two implementing Ministries of the 11th European Development Fund's Vanuatu Value Chain Programme (11th EDF), the Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity (MALFFB), and the Ministry of Tourism, Trade, Commerce and Ni-Vanuatu Business (MTTCNVB), and the Prime Minister's Office (PMO), wish to give the following update concerning 11th EDF.

Finance facility

The 11th EDF programme originally included the creation of a 10 million euro finance facility. This facility would provide affordable access to finance (e.g. loans) to the private sector, particularly for micro, small and medium-sized enterprises (MSMEs) trying to develop business in the three 11th EDF value chains (fruit and vegetables, coconuts, and cattle). The facility would also build the capacity of MSMEs in areas such as financial literacy and business development. However the two parties responsible for the funding and creation of the finance facility, the European Union (EU) and the International Finance Corporation (IFC) were unable to reach a final agreement over the nature of the finance facility. Therefore the future status of the finance facility is uncertain. Stakeholders will be notified of any major updates concerning this situation.

Project and funding eligibility

Up to 20 million euros will be available for projects which improve the three 11th EDF value chains, with funding expected to be available from late 2018 to 2023 (5 years). Private and third-sector organisations will not be able to apply for or receive any 11th EDF funds directly. Projects will be proposed, led and implemented by public-sector bodies, with private and third-sector

stakeholders being engaged where necessary (e.g. in a procurement or partnership capacity). The private sector is the main intended beneficiary of the 11th EDF funding, and the Government is committed to working with the private sector to develop projects which will maximise the benefits to the private sector and to Vanuatu. More detailed guidelines around project and funding eligibility are being developed and will be released in the future.

Sincerely, Timothy Tumukon, Director of Biosecurity and Chair of 11th EDF Programme Implementation Task Force, Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity and Willie Luen, Head of Aid Coordination Unit, Prime Minister's Office.